

# Commercial Practices Success Story

## Aircraft Engine Spares

**Contractor:** GE Aircraft Engines  
**Contracting Officer:** Mark Jackson  
OC-ALC/LPDPB

### Program Description

Logistics Support of the F110, F101, F108 and F118 engines. The F110 is used on the F-16, F-14, and F-15; the F101 is used on the B-1; the F108 is used on the KC-135; and the F118 is used on the B-2 and TR-1. General Electric is the manufacturer of these engines.

### How Streamlining Made a Difference

OC-ALC was able to award one requirements contract for a multitude of sole-source spare parts from General Electric, streamlining the overall acquisition process. The contract contains many commercial provisions eliminating several Government requirements. For example the requirement for MilSpec packaging was not used and standard commercial packaging accepted, this alone saves an estimated \$90,000 overall. Also, ISO 9000 provisions were included rather than the Mil-I inspection requirements. The contract contains 46 different line items for spare parts. Competition for these parts may be initiated based on OC-ALC knowledge of the market and ongoing market research.

An order on this contract can be issued almost immediately upon receipt of a funded purchase request. The average order lead time is 3 days. Previous lead times for these same spares have been 60-180 days and longer. The existence of this requirements contract, along with the commerciality of the parts, eliminates the need for individual J&As, detailed audits, and negotiations for each requirement. Instead OC-ALC can rely on the established negotiated prices. The streamlined approach of this contract was demonstrated immediately when \$18M worth of orders were processed on the day of award.

**Bottom Line:** Innovation and application of commercial practices have resulted in a sustainment contractual vehicle that is more responsive to user needs (doing it **better**); reduces lead time by approximately 20% across the board (doing it **faster**); and eliminates military requirements which reduces overall parts and acquisition costs (doing it **cheaper**).

*Published by the Assistant Secretary of the Air Force (Acquisition) as of 1 Jun 96.*

*For more on Air Force Acquisition, try our homepage at <http://www.safaq.hq.af.mil>.*